

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18887
[REDACTED],)	
)	DECISION
)	
Petitioners.)	

On April 22, 2005, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners), proposing income tax, penalty, and interest for the years 1998, 2000, and 2002 in the total amount of \$37,213.

On June 24, 2005, a timely protest and petition for redetermination was filed by the petitioners by bringing in their 1998 and 2000 individual income tax returns to TDB. An informal hearing has not been requested by the petitioners. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The petitioners failed to file their 1998, 2000, and 2002 individual income tax returns. On October 29, 2004, the Tax Discovery Bureau sent a letter with a questionnaire to the petitioners to help the Commission properly determine the petitioners' filing requirement. The petitioners did not respond to this letter, so [Redacted]. The Commission issued a NOD on April 22, 2005, to the petitioners [Redacted].

Mr. [Redacted] protested the NOD by bringing in their 1998 and 2002 individual income tax returns to TDB on June 24, 2005, and reported that he was completing the 2000 return. The petitioners' 2002 return was accepted, and the NOD for 2002 was canceled. The petitioners' 1998 return required additional information regarding the sale of property. Once the petitioners faxed this data to TDB on August 29, 2005, the 1998 return was accepted, and the NOD for 1998 was

canceled. The tax years 1998 and 2002 will not be addressed any further in this decision. The 2000 return has not been filed.

On November 25, 2005, the Tax Policy Specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioners on January 11, 2006. The petitioner did not respond to either letter.

It is well settled in Idaho that a NOD issued by the Idaho State Tax Commission is presumed to be correct. Albertson's Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814 (1984); Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). The burden is on the petitioners to show that the tax deficiency is erroneous. Id. Since the petitioners have failed to meet the burden in this case for tax year 2000, the Tax Commission finds that the amount shown due on the Notice of Deficiency Determination for tax year 2000 is correct.

[Redacted] The petitioners did file their income tax returns for 1998 and 2002 but have not provided the Commission with a contrary result to the determination of their income for the 2000 tax year [Redacted]. Therefore, the Commission must uphold the deficiency as modified.

WHEREFORE, the Notice of Deficiency Determination dated April 22, 2005, as MODIFIED, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$17,014	\$4,254	\$6,001	\$27,269

Interest is computed through December 5, 2006.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2006, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
